



TOWN OF ELLINGTON

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BOARD OF FINANCE

ROBERT J. CLEMENTS
Chairman

RICHARD J. CLEARY
MARK A. JOYSE
BARRY C. PINTO
MICHAEL D. VARNEY
JOSEPH E. WEHR

BOARD OF FINANCE BUDGET HEARING THURSDAY, MARCH 26, 2009 MINUTES

Members Present: R. Clements-Chairman, R. Cleary, M. Joyse, B. Pinto, J. Wehr

Members Absent: M. Varney

Others Present: N. DiCorleto-Fin Officer, P. Potamianos-Budget Advisory, S. Cullinan-Supt. of Schools, D. Roberson-Chmn BOE, A. Littizzio-Dir Bus Svs BOE, members of the Board of Education, School Administrators and Principals.

Opening Statement

The Chairman turned the floor over to the Board of Education for their presentation.

Citizen's Forum – None

Board of Education Budget 2009-10

Dale Roberson's opening statement was that with all that is going on with the federal government, taxpayers have an attitude against government spending. This attitude of the general public is something the Town is going to have to face in this budget process. This is fueled by the fact that there are many unknowns such as where the money is coming from and what the funding sources for this year are? This is a very austere budget and it was a difficult process to come to this budget.

Superintendent Stephen Cullinan presented a power point presentation (attached). The directive for budget 2009-10 was to keep programs and other budgets at zero dollar increase and only contracted personnel increases are to be included. The major drivers of this budget are salaries and benefits. There are no new programs or staff in the budget. It is maintaining what is presently in place.

Enrollment continues to grow and is ahead of the projections. As of March 3, 2009, there are 2,645 students. All contracts are completed with bargaining units with the exception of the van

drivers that are currently entering into negotiations. The health insurance item was budgeted at 14%.

The Outside Tuition increase of \$108,472 is to pay for special education students placed outside the district. This is difficult to budget for as there are many unknowns. The excess cost reimbursement rate for special education is in question for next year. Also some students do not reach the excess cost limit, so there is no reimbursement. The budget reflects an 80% excess cost. The legislature is also entertaining reducing the excess cost percentage for this budget year, so we don't know where it will be next year.

Magnet schools tuition was explained that the number of students applying to them cannot be limited by the Board of Education. The number of students that are accepted to them is what the school system has to pay for. When the budget is compiled, the Board does not know how many students will apply or what the tuition will be. There are a limited number of openings in the magnet schools that are being competed for throughout the area so all students that apply will not be accepted. The Town has to pay the tuition for these schools or the State deducts it from the Education Cost Sharing grant. There are also magnet schools that contain preschools. There is legislation being looked at that eliminates preschool tuition. Next year between all magnet schools, 31 students from Ellington are putting in applications and 9 of the 31 are preschool children. The Hartford Host Magnet Schools currently do not require that the school system pay the tuition. The State pays the cost and Hartford provides the transportation. Hartford is starting to send out tuition bills but the schools districts are not paying the tuition, because it's not required. The State legislation presently does not allow the ECS to be deducted for the cost of tuition to Hartford Host schools. However, Hartford wants the State change the policy to do the same for them. Two Ellington children go to a Hartford Host school. The funds received from the Hartford Open Choice Program are used for outgoing tuition. If everyone gets accepted and goes to magnet schools, the Board of Education will be responsible for a large increase in tuition.

Special Ed transportation will require one new van run which is equivalent to \$24,000. The MERF Retirement Fund estimate was budgeted at 7% increase and came in at 7.5%.

The Board of Education has contracted with the electric company that in the summer, the schools will run on generator and get back money for electricity. The electric company will pay for the gas for the generator. Also Tony Littizzio has contacted all the vendors asking for any relief in pricing. The bus company has not increased their contracted pricing for next year.

One of the concerns of the Board of Education is class sizes, the largest fourth grade in history is moving into fifth grade. An additional fifth grade teacher is needed so that the class sizes will not be in the range of 28 students each. This will not be a new position but a reassignment.

He then listed the reductions to the budget that would have to be made to bring it to a zero increase (on the attached). Those affected will have an opportunity to lobby the Board of Education for their positions. This also precipitates an increase in the unemployment fund for those who do not get rehired. The Superintendent stated that it would be difficult to run a school district with this list of cuts to personnel.

Revenues -- Under The State Stabilization Fund, the State of CT is receiving \$542,000,000. The Governor has indicated that the total over two years is going to K-12 education, all under the Education Cost Sharing. Currently Ellington gets \$9.5 million, \$8.1 million from the State, and \$1.3 million from the stabilization fund.

The IDEA grant for special education over two years is \$438,000. IDEA can only be used to supplement programs.

Mr. Clements asked about the newspaper article about the 18 students coming from the Open Choice Program. The article indicated that the town will only receive \$2,500 per student. He is outraged that we are charged \$9,000 to send students out, but only receive \$2,500 per student coming here.

Mr. Cullinan stated that since losing Sheff vs. O'Neill case, the Hartford region and 22 surrounding towns can send students to suburban towns. There are currently 18 students in the Ellington system now and the State is looking to increase it to 36 students because there are only 11% of Hartford resident minority students who are in reduced isolation settings. They are raising the benchmarks; this year they have to get to 27% of students. The Board of Education prefers to take children from kindergarten to grade 3 and follow them through the system to graduation. The legislature has a variety of plans on the table being looked at but there is not enough money to fund them. Mr. Clements feels the money should follow the student. Superintendent Cullinan stated that the problem with the money following the student is that the ECS is not a per-child figure any more. It is now just dollars with percentage increases. The Governor's proposed budget keeps the reimbursement at \$2,500 per student because there is not enough money to increase it. There is great pressure for the towns to participate. Ellington has 7/10 of 1% of students in the program and under the new guidelines; Ellington is looking at a requirement of 3%. The Board of Education is very frustrated with the funding for this program as is the Board of Finance.

Mr. Wehr asked about salary increases. The Superintendent stated that the Board of Education's projected surplus of \$101,000 is being returned to the town. Mr. Wehr felt that forgoing raises is more than likely across the Town. He asked if the Superintendent could survey members of the bargaining unit independent of the unions? Cullinan said he could not but that he has had

informal conversations with some on the subject. Some of those he spoke with stated they understood but not at this time. He met with the Finance Officer yesterday and has a better understanding of the situation. He will go back and present the numbers to see if there is any reconsideration.

Mr. Clements asked that if the Board of Education budget is cut considerably, would he rather layoff or forgo salary increases to avoid the layoffs. Mr. Clements stated that he understood why some won't volunteer until they find out how dire the situation is. Clements stated that the Board of Finance has to cut \$2 million to break even and have a modest increase. The Board of Education has \$900,000 in increased salaries. The Town Hall number is \$130,000.

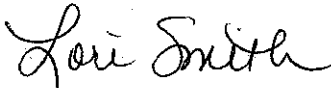
The Superintendent stated that the six administrative employees have already offered to forgo their raises. He also stated that there are some that may ask if it is that they don't have the money or don't want to spend the money. Some may see items such as a Fire Truck, windows and door at the Town Hall, old Crystal Lake school etc. with money coming from a fund balance. Some may say \$162,000 could fund so many teachers. They see the business being done in a different way as opposed to the document looks like. Mr. Clements explained that these are expenditures that were put off for many years and funds were used from savings in the current budget. He understood where the people might be coming from when they see this.

Mr. Cullinan stated that he would not want to see any animosity between boards and it does not help the Town as a whole when it comes to the budget process.

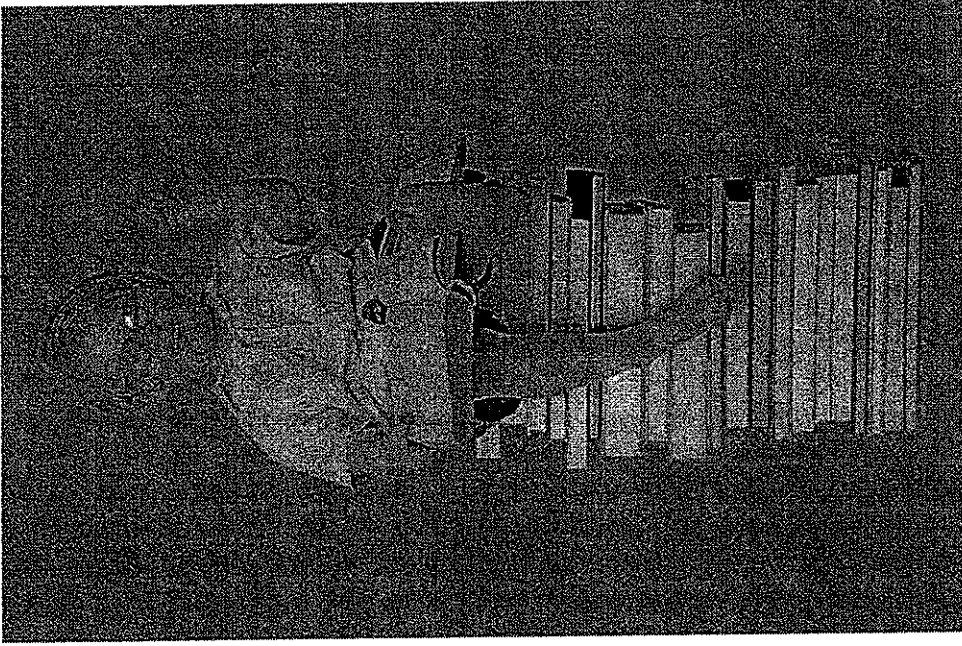
Mr. Clements thanked the Board of Education for their presentation and stated that the Board of Finance does not want to seem hostile to the Board of Education. The Board of Finance appreciates education as much as the Board of Education does. His gripe is the state and their unfunded mandates. He stated that the Town is in the most difficult situation he has seen.

Hearing closed at 8:50 PM

Respectfully submitted:

A handwritten signature in cursive script that reads "Lori Smith".

Lori Smith, Recording Secretary



Ellington Board of Education
2009 – 2010
Budget Proposal

OUTLINE

- Review of Documents
- Budget Themes
- Major Drivers
- Areas of Concern
- Reductions to Date
- Potential Further Reductions
- Q & A

Review of Documents

- Summary by Object
- Projected Revenues
- Budget Guidelines
- Memorandum to BOF
- Summary of Crosswalks
- Individual Crosswalks
- Q & A
- Staffing
- Enrollments
- Reductions to Date

BOE Motion

"A motion was made to instruct the Superintendent to change directions and develop a 2009/2010 budget that only provides for contracted personnel increases from the 2008/2009 budget, and to delineate in the cover letter or other appropriate vehicle, the expected deviation and effects from that budget to get to zero dollar increase from 2008/2009 to 2009/2010."

Budget Theme

- Maintain Excellent Education Programs
 - No New Programs
 - No Staff Increase
 - Defer Athletic Restoration Plan

Maintain Excellent Education Programs

- Consistently Exceed State & DRG on CMT & CAPT
- Consistently Exceed Nation in SAT Results
- Continue Instructional Plan Focused Upon Student Achievement

Enrollment

■ Actual 06-07 Enrollment	2,537
■ Actual 07-08 Enrollment	2,597
■ Actual 08-09 Enrollment	2,633
(2,620 NESDEC) (2,623 CSDE)	
Projected 09-10 NESDEC	2,649

Cumulative Enrollment Increase

■ Year	Enrollment	Increase	Cumulative
■ 00-01	2,266	58	58
■ 01-02	2,283	17	75
■ 02-03	2,351	68	143
■ 03-04	2,390	39	182
■ 04-05	2,434	44	226
■ 05-06	2,494	60	286
■ 06-07	2,537	43	329
■ 07-08	2,597	60	389
■ 08-09	2,633	36	425

Major Drivers of Education Budget

■ Total Salaries	\$ 484,362	1.70%
■ *Health/Life Insurance	\$ 427,503	1.50%
■ Outside Tuition	\$ 106,716	0.37%
■ Spec. Ed. Transportation	\$ 24,565	0.09%
■ *Social Security	\$ 22,501	0.08%
■ *Retirement	\$ 16,120	<u>0.06%</u>
		3.82%

Major Drivers Continued

■ Total Salary	\$ 484,362	1.70%
■ *Total Benefits	<u>\$ 466,124</u>	<u>1.64%</u>
■ Total Salary & Ben.	\$ 950,486	3.34%
■ Remainder	<u>-\$ 59,336</u>	<u>-0.21%</u>
■ Total Change	\$ 891,150	3.13%

Salaries

- Completed Contracts with all Employee Bargaining Groups Except One
- No New Staff
- Three Approved Retirements to Date
- Budget Anticipates Six Retirements

Health Insurance

- Was -3.5% for 2007-2008
- Was 8.0 % for 2008-2009
- Initial Quotation for 09-10 = 17%
- Budget Prepared at 14%

Outside Tuition

■ Increase of	\$ 106,716
■ Special Education **	+ \$ 108,472
■ Vo-Ag Tuition	- \$ 9,250
■ Adult Education	No Change
■ Magnet School	+ \$ 7,494

**Excess Cost Budgeted at 80%

Special Education Transportation

- The Number of Students Served has Increased by 20%
- Requires Additional Time & At Least One More Van Run

Social Security & Retirement

- Function of Salary
- Increase in Medicare Contributions
 - Due to Grandfathered Retirements
- Municipal Employee Retirement Fund (MERF)

Accounts of Note

■ Textbooks	- \$23,166	-22.66%
■ Heating Fuel	- \$24,168	- 5.49%
■ Rentals	- \$50,140	-41.48%
■ Program Supplies	- \$29,197	-10.36%
■ Administrative Supp.	- \$5,840	- 9.80%
■ Basic Supplies	- \$9,733	- 8.36%
■ Equipment	- \$24,811	-43.32%

Board of Education Areas of Concern

- Class Size
- CREC Magnet School Tuitions
- Hartford Host Magnet School Tuitions
- Vo-AG Tuitions
- Further Excess Cost Reductions
- Reductions to Books, Supplies, Equipment
- Increased BOE Contribution to MERF

Reductions to Date

- Significant Reductions at Building Level
- \$ 201,564 by Central Office
- \$ 50,000 Savings in Copier Contract
- \$ 24,000 ISO New England
- Letter to Vendors Seeking Relief

Reductions to Achieve Zero Growth Budget

■ BOE Secretary	- \$4,395
■ CABA Dues	- \$12,200
■ Summer Scheduling EMS	- \$2,437
■ Summer Scheduling EHS	- \$3,342
■ Summer Technology Work EHS	- \$3,699
■ Athletics/Activities	- \$15,730
■ Physically Handicapped	- \$3,000

Reductions to Achieve Zero Growth Budget (Continued)

■ .4 Lead Teacher (EHS)	- \$ 34,080
■ 1.0 Custodial Position	- \$ 38,492
■ 1.6 P.E. Positions (Elem)	- \$111,107
■ 1.0 FCS Position (EMS)	- \$ 53,079
■ 1.0 Communications/L.A. (EMS)	- \$ 52,213
■ Paraprofessional Hours	- \$ 50,190
■ 1.0 Secretarial Position (EHS)	- \$ 36,825

Reductions to Achieve Zero Growth Budget (Continued)

■ 1.0 Classroom Position (Inter.)	- \$ 52,193
■ 1.0 PAL Program (Inter.)	- \$ 62,343
■ 1.0 Art Position (Elem./Int.)	- \$ 89,894
■ 1.0 Speech/Lang. (Int. Middle)	- \$ 58,851
■ .6 Psychologist (Elem./Int.)	- \$ 33,535
■ 1.0 Enrichment/Lead (Inter.)	- \$ 63,251
■ 1.0 Music (Elem./Int.)	- \$ 49,418

Reductions to Achieve Zero Growth Budget (Continued)

■ 1.0 Security (EHS)	- \$ 27,340
■ .5 Art Position (EHS)	- \$ 31,788
■ 1.0 CWE Program (EHS)	- \$ <u>79,694</u>
Sub-Total	- \$ 969,104
Unemployment	\$ <u>77,954</u>
Total Reduction	- \$ 891,150

Other Considerations for Reduction

■ .2 Language Arts Support (CLS)
■ 1.0 Administrative Position
■ .6 English Position (EHS)
■ 1.0 PE/Health Position (EHS)
■ 1.0 World Language Position (EHS)
■ 1.0 Social Work Position (EHS/EMS)
■ Curriculum Assistants (EHS)

Other Considerations for Reduction (Continued)

■ .6 Pre-school Position
■ .5 Social Studies Position (EHS)
■ 1.0 Math Specialist
■ 1.0 Reading Coordinator
■ 1.0 Special Education Position
■ 1.0 Technology Education Position (EHS)
■ 1.0 Music Position (EHS/EMS)
■ 1.0 Secretarial Position (10 Mos.)

Other Considerations for Reduction (continued)

■ 3 Part-Time Clerical Positions
■ 1.0 Math/Reading Support (EMS)
■ 1.0 Technician